



# Healthcare Provider Grant Program (Community Provider & Acute Care Hospital)

## Frequently Asked Questions (FAQs)

For more information, please visit us at <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>

Version 1.4.1

**NOTICE: The application deadline has been extended to 30 October 2020**

## State of South Dakota

*Updated as of 22 OCT 2020*

### 1. Program Eligibility

#### 1a. Who qualifies to apply for Community Provider Healthcare Grant Program?

- **Community Provider**

- Eligible community providers must be one of the following provider types:
  - a) A nursing home, skilled nursing facility, or both
  - b) An assisted living facility
  - c) A residential treatment facility for youth including group care, psychiatric residential treatment, and independent living
  - d) A senior nutrition provider
  - e) An in-home services provider for the elderly: nursing, private duty nursing, homemaker, personal care, adult companion, respite
  - f) An adult day services provider
  - g) An assistive daily living services waiver provider (ADLS)
  - h) An intellectual and developmental disabilities services provider – CHOICES Medicaid waiver (community support providers/case management providers), Family Support 360 Medicaid waiver, community training services, and intermediate care facility for individuals with intellectual disabilities (ICF/IID); or
  - i) A behavioral health provider including substance use disorder and mental health
- The provider must also be:
  - a) Licensed or otherwise authorized by the state to provide community-based services in South Dakota;
  - b) Located in South Dakota, and
  - c) Have provided services funded by the state through Medicaid or other federal or state funding through the Department of Corrections, Department of Social Services, or the Department of Human Services in 2019 and 2020.

- **Acute Care Hospital**

- Eligible providers must be located in South Dakota and licensed by the State of South Dakota Department of Health as a:
  - a) Hospital (paid through the Prospective Payment System (PPS Hospital))
  - b) Critical Access Hospital
  - c) Specialty Hospital, or
  - d) Inpatient Hospice
- The provider, if a specialty hospital or inpatient hospice, must also be licensed to provide acute care medical services.

**1b. What if my organization has multiple subsidiaries with different business lines with separate Tax Identification Numbers (TINs)? Should the provider apply at the parent organization level or the TIN level?**

- Applications must be submitted by TIN and not by a parent organization at the system level. As an example, if a parent organization has separate TINs engaged in multiple provider categories (e.g. nursing home and assisted living), each separate TIN should apply.
- If an eligible provider has multiple provider types under a single TIN, then the provider should apply under the facility that has experienced a majority of the entity's reduction in business due to COVID-19. *All revenue and expenses for all business lines should be reported.*
- **NOTE:** You are required to create a new username for **EACH** unique Tax ID Number (TIN)/provider entity

**1c. If I am a provider that doesn't meet the eligibility criteria for the Healthcare Provider Grant Program, can I apply for the Small Business Grant Program?**

- Yes, if you meet the eligibility criteria for one of the small business grant programs, you are welcome to apply for the small business grant program.

**1d. Are dental, eyecare and chiropractic health providers eligible to apply to the Community Provider Healthcare Grant Program?**

- No, these health providers were not included in the list of eligible community health providers established by the legislature. Dental, eyecare and chiropractic health professionals should apply to the small business grant program if they meet the eligibility criteria for that program.

**1e. Are 1099 self-employees eligible for the Healthcare Provider Grant Program?**

- The resolution passed by the South Dakota legislature established the eligibility criteria for the healthcare grants and is listed in 1a. If you meet these criteria and are 1099 self-employed, you are eligible for the healthcare grants. If you aren't eligible for the healthcare program, 1099 self-employees may be eligible for the small business program. The eligibility requirements for these programs can be found under the "Small Business" links on this webpage: <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>

**1f. What if my organization conducts business both in South Dakota and in other states? How should I apply and what financial information should I include?**

- Organizations that conduct business in multiple locations, including in and out of South Dakota, should submit one application at the TIN level and upload both TIN level and South Dakota based financial information.

**2. Program Funding**

**2a. What are the total funds available per provider type?**

- The Healthcare Provider Grant Program has the following fund allocations:
  - *Community Provider:* \$115,000,000 per eligible provider
  - *Acute Care Hospital:* \$15,000,000

Providers who qualify are eligible to receive a percentage of their "reduction in business" based upon available funds and according to the pro-rata percentage determined once the application period is closed.

**2b. How is the grant amount to be determined?**

- **Community Provider and Acute Care Providers**
  - Grant amounts will be based upon the "reduction in business" that is calculated by the following formula:

2020 Net Income	"2020 net" is gross revenue, minus gross expenses, for March – September 2020
2019 Net Income	"2019 net" is gross revenue, minus gross expenses, for March – September 2019
Federal COVID-19 Aid	Federal COVID-19 Aid*
<b>Eligible Amount for "Reduction in Business"</b>	Final award based on <u>pro-rata share</u> of available funds

- "2020 Net Income" less "2019 Net Income" plus (offset by) Federal COVID-19 Aid equals "reduction in business", where:
  - 2019 Net is gross revenue, minus gross expenses, for March through September 2019;
  - 2020 Net is gross revenue, minus gross expenses, for March through September 2020
  - Federal Aid is all federal COVID-19 funding received by the eligible provider in 2020, including the following:
    - Paycheck Protection Program Loan
    - HHS Provider Relief Funds (General and Targeted Distributions)
    - Medicare Advanced and Accelerated Payments
    - FEMA Public Assistance Program payments
    - FCC Telehealth funding
    - Reimbursement from the Health Resources Services Administration for testing and treatment of uninsured COVID-19 patients
    - the value of the Employer Retention Credit, and any other COVID-19 federal payments or grants

### 3. **Application**

#### **3a. What kind of information do I need for the application?**

- Registered or legal name of provider
- All point of contact information (phone, email, physical address)
- Facility TIN number (or EIN number, if applicable)
- Bank account information for electronic payment of funds
- Gross Revenues and Gross Expenses for March through September 2019
- Gross Revenues and Gross Expenses for March through September 2020
- Actual revenue information required; no estimated revenues or expenses
- Separate identification of all COVID-19 Federal Aid received through September 2020
- Identification of any other planned or pending application to the federal government for COVID-19 relief, including Phase III General Distribution funding from HHS
- Proof or screenshot of Certificate of Good Standing

#### **3b. Do I need to submit documentation for the federal COVID-19 federal aid received?**

- No, providers who received any Federal Aid as defined in these FAQs do not have to submit documentation establishing receipt of such Federal Aid. As part of the application eligible providers will be required to attest to the receipt of any Federal Aid received in 2020 as a result of COVID-19.

#### **3c. Where and how will my organization apply?**

- Community providers will complete an application online on the South Dakota COVID-19 website at <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>.

#### **3d. What if I own more than one provider type, can I apply for each?**

- Yes, if an eligible provider owns and operates more than one eligible provider type with separate TINs, then each TIN may apply. If an eligible provider operates multiple eligible provider services under one TIN, then the provider should apply under the provider type that experienced a majority of the entity's reduction in business due to COVID-19.

• **NOTE:** You are required to create a new username for **EACH** unique Tax ID Number (TIN)/provider entity

- Multiple usernames can be created under a single email address and all correspondence will flow through that single email
- The username must follow an email address format (\_\_\_\_@\_\_\_\_.com).
- For healthcare organizations with only 1 TIN/application, we recommend that you use your email address as your username for simplicity.

**3e. Do I need to submit an official document for my Certificate of Good Standing?**

- No, a screenshot of your entity's Certificate of Good Standing will suffice for the required Certificate of Good Standing document.
- Applicants can provide a Certificate of Good Standing from the South Dakota Secretary of State by following these steps:
  - Navigate to the South Dakota Secretary of State, Business Services Online, Certificates of Good Standing: <https://sosenterprise.sd.gov/BusinessServices/Business/CertOfExistenceInstr.aspx>
  - Search by Verification Number or click the link for "Search Tool" to search by business name
  - Click on your business name
  - Click the "Printer Friendly Version" to save the record as a PDF
  - Upload the PDF with your application

**OFFICE OF THE SECRETARY OF STATE**  
STEVEN J. BARNETT, SECRETARY OF STATE  
JASON LUTZ, DEPUTY SECRETARY OF STATE

**Filing Information**

Name: \_\_\_\_\_

**General Information**

SOS Business ID: \_\_\_\_\_

Filing Type: Limited Liability Company - Domestic

Status: **Good Standing**

Duration Term: Perpetual

Managed By: Manager-Managed

Registered Agent Address: \_\_\_\_\_

Principal Address: \_\_\_\_\_

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
12/18/2019	2020 Annual Report	
01/28/2019	2019 Annual Report	
12/29/2017	2018 Annual Report	
02/28/2017	2017 Annual Report	
04/13/2016	2016 Annual Report	
03/10/2015	2015 Annual Report	
02/27/2014	2014 Annual Report	
02/25/2013	2013 Annual Report	
02/22/2012	Initial Filing	

**3f. What are all the documents I must upload as files for my application?**

- For healthcare applications, there are 3 items that you must upload files for:
  1. Profit & Loss Statement showing Gross Revenues and Gross Expenses for March through September 2019
  2. Profit & Loss Statement showing Gross Revenues and Gross Expenses for March through September 2020; on the same accounting basis as the 2019 statement.
  3. Proof or screenshot of Certificate of Good Standing

#### **4. Financial Information**

##### **4a. How will financial information be submitted?**

- Copies of financial information will be submitted electronically as part of the application. Financial information for revenue and expenses for the periods of March through September 2019 and 2020 will be uploaded as part of the application process. Providers are requested to submit the revenue and expense information in the form of a Profit & Loss (Income) Statement

##### **4b. Is my organization's financial information to be submitted on a cash or accrual basis?**

- Providers should report on the basis their current financial reporting is based on.
- Providers may submit revenue and expense information on an accrual or cash basis, provided the information is submitted on the same basis for 2019 and 2020.

##### **4c. Must actual revenues and expenses be submitted, or may a provider submit estimated revenue and expense information?**

- Providers must submit actual revenue and expense information, including for the period of March through September 2020. In designing the community provider grant program, the State incorporated stakeholder feedback that requested relief considering revenue and expenses through September.

##### **4d. How are "gross revenues" and "gross expenses" defined?**

- Gross revenue and gross expenses are defined consistently with customary accounting standards and should be submitted in the form of a Profit & Loss (Income) Statement. Per generally accepted accounting principles (GAAP), businesses are responsible for reporting their Profit & Loss (Income) Statements, summarizing their revenues, costs, and expenses during a specified time.

##### **4e. Is an eligible provider required to report COVID-19 expenses and revenue losses separate from its general revenue and expenses?**

- No, an eligible provider is not required to break out COVID-19 expenses or revenue losses. Applicants must report their gross revenues and gross expenses for the periods of March 1 through September 30<sup>th</sup> for both 2019 and 2020.

##### **4f. When reporting my COVID-19 federal aid in the required documents, do I need to report loans?**

- Yes, you must report all aid, including loans. If the loan amounts are not forgiven before the South Dakota grants are awarded, they will **NOT** be included in the final reduction in business calculation.

##### **4g. Is Paycheck Protection Program loan forgiveness included in the gross revenue calculation?**

- The applicant should disclose any federal aid (loans or grants) in the area of the application asking for federal COVID related aid and not include that information in gross revenue.
- Under guidance issued by the US Treasury Department, which made the Coronavirus Relief Funds available to South Dakota for these grant programs, Applicants must list the entire amount of any PPP loan received. Under the US Treasury Guidance, South Dakota is required to assume that PPP loans will be forgiven and, therefore, the full amount of the PPP loan must be used in calculating the Applicant's Reduction in Business when determining any grant amount determined by the State of South Dakota.

##### **4h. Why am I being required to report Medicare Advanced and Accelerated Payments, which are loans?**

- The State is requiring identification of the Medicare Advanced and Accelerated Payments in order to track these funds to the extent that Congress passes legislation forgiving any portion of the loan, or otherwise repayment using other federal funds such as HHS Provider Relief Funds.

##### **4i. Does the net income calculation include depreciation (or non-cash expenses)?**

- Yes, it can. The applicant can use either accrual- or cash-basis reporting, so long as the same method is used for both 2019 and 2020 reports. The net income calculation would reflect depreciation if prepared on an accrual basis.

##### **4j. Should contractual allowances, bad debt and charity care be included in gross revenue, or should they be taken out of gross expenses?**

- Contractual allowances, charity care, and bad debt should be reflected on the Profit and Loss Statement as they are commonly reported.
- 4k. Are there specific rules for how award recipients can spend grant awards?**
- There are no specific State expenditure rules for grant recipients. However, grant award use may be subject to audit by the federal government.
- 4l. Should I include federal grants or loans for COVID-19 in my gross revenue?**
- No. Federal grants or loans for COVID-19 should **not** be included in revenue and should instead be entered in the “Additional Assistance Information” section of the application. Grants will impact the award calculation and loans will not. However, the State is still asking for disclosure of federal COVID-19 loans.
- 4m. When calculating our reduction in business, should we include unrealized gains and losses, or anything below the line?**
- No, the formula includes gross revenues and gross expenses (above the line costs).
- 4n. If we have already included CARES funding or other federal grants in our financial statements, should those be excluded from the federal aid?**
- No, if a federal grant is already in your gross revenues and financial documentation, back it out and disclose it on the data entry field under the “Additional Assistance Information” section of the application.
- 4o. If federal aid or grant revenue is recognized in the gross revenue in the financial statements, will it be double counted for the reduction in business calculation?**
- No. Any federal COVID-related grant or payment will not be counted twice and negatively impact the calculation of a potential award. The Profit and Loss Statements will be carefully reviewed to ensure no double counting.
- 4p. Do we need to report COVID Relief payments from South Dakota state funds (including payments from the Department of Education or the Department of Social Services) in the federal aid section? Will they be counted in the award methodology?**
- Yes, please report any state COVID Relief payments in the “Other” category of the federal aid section. State funds may be treated in the same manner as the federal grants (that are not loans), meaning that they may be deducted.
- 4q. Do restricted gifts count as gross revenue if they don’t contribute to cash flow?**
- No, restricted donations that do not impact cash flow should not be included in your calculation.
- 4r. What if my organization has returned or plans to return federal COVID-19 aid such as HHS Provider Relief Funds?**
- Applicants should still report by source all sources of federal COVID-19 relief funding. However, to the extent the applicant has decided to reject and return any federal COVID-19 funding such as HHS Provider Relief Funds, the applicant should indicate in a footnote to the submitted financial information (Profit & Loss Statements) the amount of federal COVID-19 funding that has been or will be returned by December 30, 2020.
- 4s. Do I need to disclose any Small Business Administration (SBA) Emergency Injury Disaster Loan (EIDL) or Grant?**
- Yes, Applicants should disclose any federal funding received in response to the COVID-19 pandemic, including any SBA issued EIDL loan or grant. Under the US Treasury Guidance, EIDL terms loans will not be forgiven and, therefore, the full amount of the EIDL loan will not be used in calculating the Applicant’s Reduction in Business when determining any grant amount determined by the State of South Dakota. Any SBA EIDL grants will be included in the Reduction in Business calculation.
- 4t. Since the Phase 3 Provider Relief Fund distribution amounts are unknown, how is a provider supposed to account for future unknown payments?**
- We understand that any potential award is not currently known. If, at the time of application, your entity is requesting a specific amount, then you should identify the amount of Phase III General Distribution requested. The attestation requirements in the South Dakota application requires the applicant to attest to the amount of federal funding that has been received or will be claimed for 2020.

## 5. **Award Process**

### 5a. What is the award process?

- Applications will be reviewed after they have been determined to be complete. In order to be deemed complete, the application must be submitted through the application portal with all requested documentation. Once the application has been initiated, the applicant will be provided with log-in credentials. The applicant may re-enter the application portal to access the application in order to complete the application and track its status once submitted.
  - **IMPORTANT NOTE:** Once you have submitted an application, do not click on the Healthcare or Small Business links, as this will return you to the new application screen. Instead, click on the “Applications” button in the top menu.
- Applicant will sign grant agreement.
- Applicant will receive a notification indicating grant approval or denial, and if approved, the dollar amount of the grant.
- Grant awards will be issued to qualifying grant recipients.

### 5b. Is there a minimum or maximum award?

Eligible providers who submit a completed application and are determined eligible for an award will receive a percentage of their reduction in business based upon available funding.

- **Community Provider**
  - Minimum Award: If the calculation results in an award of less than \$500.00, no award will be made.
  - Maximum Award: There is no maximum award.
- **Acute Care Hospital**
  - Minimum Award: If the calculation results in an award of less than \$500.00, no award will be made.
  - Maximum Award: There is no maximum award.

### 5c. If my provider business is deemed eligible, will I receive a minimum award of \$500.00?

- No, if a grant award is calculated as less than \$500.00, it will not be awarded.

### 5d. Are there reporting requirements after the grant is received?

- No, there are no reporting requirements, but grant award use may be subject to audit.

### 5e. How will I receive information regarding my application once it is submitted?

- Information regarding the application will be sent to the email address registered by the applicant. Applicants should ensure their email filter is not directing to a junk file or spam folder, and Applicants should regularly review their spam/junk folders to make sure they do not miss an email regarding their application.

## 6. **Additional Support**

### 6a. How can my provider organization obtain assistance for the application process?

- There will be an initial educational webinar and question session scheduled shortly after the opening of the application period. Details will be posted at <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>.
- There will be regular live “office hours” when applicants may speak with program personnel to ask questions
  - 8AM – 5PM central time, Monday through Friday
- A call center has been established and will be operational beginning on October 13, 2020 at 1-605-937-7243.
- Contact support via email:
  - Small Business: [COVID.BIZGRANTS@state.sd.us](mailto:COVID.BIZGRANTS@state.sd.us)
  - Healthcare: [COVID.HEALTHCAREGRANTS@state.sd.us](mailto:COVID.HEALTHCAREGRANTS@state.sd.us)

### 6b. Where can I find additional information on the program?

- <https://covid.sd.gov/smallbusiness-healthcare-grants.aspx>

## FAQ Change Log

Version #	Revision Date	Change Location	Description of Change
1.0.0	14 OCT 2020	N/A	Initial FAQ development
1.1.0	15 OCT 2020	Financial Information	Added 4i (non-cash expense question)
1.2.0	19 OCT 2020	Program Eligibility	Added clarification to 2 <sup>nd</sup> bullet point in 1b; added 1e
1.2.0	19 OCT 2020	Application	Added 10 <sup>th</sup> bullet point to 3a
1.2.0	19 OCT 2020	Financial Information	Amended 4g; added 4j, 4k, 4l, 4m, 4n, and 4o
1.3.0	20 OCT 2020	Financial Information	Added 4p and 4q
1.4.0	21 OCT 2020	Program Eligibility	Added 1f
1.4.0	21 OCT 2020	Application	Added 3f
1.4.0	21 OCT 2020	Financial Information	Added 2nd bullet point to 4g; added 4r, 4s, & 4t
1.4.1	21 OCT 2020	Award Process	Added 5e
1.4.1	21 OCT 2020	FI, Award	Revsd. 5b&c; 4g, 4k.